



Rep. JoAnn D. Osmond

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LRB097 09249 HLH 51738 a

1 AMENDMENT TO HOUSE BILL 3460

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3460 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing  
5 Sections 15-175 and 15-176 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption. Except as  
8 provided in Sections 15-176 and 15-177, homestead property is  
9 entitled to an annual homestead exemption limited, except as  
10 described here with relation to cooperatives, to a reduction in  
11 the equalized assessed value of homestead property equal to the  
12 increase in equalized assessed value for the current assessment  
13 year above the equalized assessed value of the property for  
14 1977, up to the maximum reduction set forth below. If however,  
15 the 1977 equalized assessed value upon which taxes were paid is  
16 subsequently determined by local assessing officials, the

1 Property Tax Appeal Board, or a court to have been excessive,  
2 the equalized assessed value which should have been placed on  
3 the property for 1977 shall be used to determine the amount of  
4 the exemption.

5 Except as provided in Section 15-176, the maximum reduction  
6 before taxable year 2004 shall be \$4,500 in counties with  
7 3,000,000 or more inhabitants and \$3,500 in all other counties.  
8 Except as provided in Sections 15-176 and 15-177, for taxable  
9 years 2004 through 2007, the maximum reduction shall be \$5,000,  
10 for taxable year 2008, the maximum reduction is \$5,500, and,  
11 for taxable years 2009 and thereafter, the maximum reduction is  
12 \$6,000 in all counties. If a county has elected to subject  
13 itself to the provisions of Section 15-176 as provided in  
14 subsection (k) of that Section, then, for the first taxable  
15 year only after the provisions of Section 15-176 no longer  
16 apply, for owners who, for the taxable year, have not been  
17 granted a senior citizens assessment freeze homestead  
18 exemption under Section 15-172 or a long-time occupant  
19 homestead exemption under Section 15-177, there shall be an  
20 additional exemption of \$5,000 for owners with a household  
21 income of \$30,000 or less.

22 In counties with fewer than 3,000,000 inhabitants, if,  
23 based on the most recent assessment, the equalized assessed  
24 value of the homestead property for the current assessment year  
25 is greater than the equalized assessed value of the property  
26 for 1977, the owner of the property shall automatically receive

1 the exemption granted under this Section in an amount equal to  
2 the increase over the 1977 assessment up to the maximum  
3 reduction set forth in this Section.

4 If in any assessment year beginning with the 2000  
5 assessment year, homestead property has a pro-rata valuation  
6 under Section 9-180 resulting in an increase in the assessed  
7 valuation, a reduction in equalized assessed valuation equal to  
8 the increase in equalized assessed value of the property for  
9 the year of the pro-rata valuation above the equalized assessed  
10 value of the property for 1977 shall be applied to the property  
11 on a proportionate basis for the period the property qualified  
12 as homestead property during the assessment year. The maximum  
13 proportionate homestead exemption shall not exceed the maximum  
14 homestead exemption allowed in the county under this Section  
15 divided by 365 and multiplied by the number of days the  
16 property qualified as homestead property.

17 "Homestead property" under this Section includes  
18 residential property that is occupied by its owner or owners as  
19 his or their principal dwelling place, or that is a leasehold  
20 interest on which a single family residence is situated, which  
21 is occupied as a residence by a person who has an ownership  
22 interest therein, legal or equitable or as a lessee, and on  
23 which the person is liable for the payment of property taxes.  
24 For land improved with an apartment building owned and operated  
25 as a cooperative or a building which is a life care facility as  
26 defined in Section 15-170 and considered to be a cooperative

1 under Section 15-170, the maximum reduction from the equalized  
2 assessed value shall be limited to the increase in the value  
3 above the equalized assessed value of the property for 1977, up  
4 to the maximum reduction set forth above, multiplied by the  
5 number of apartments or units occupied by a person or persons  
6 who is liable, by contract with the owner or owners of record,  
7 for paying property taxes on the property and is an owner of  
8 record of a legal or equitable interest in the cooperative  
9 apartment building, other than a leasehold interest. For  
10 purposes of this Section, the term "life care facility" has the  
11 meaning stated in Section 15-170.

12 "Household", as used in this Section, means the owner, the  
13 spouse of the owner, and all persons using the residence of the  
14 owner as their principal place of residence.

15 "Household income", as used in this Section, means the  
16 combined income of the members of a household for the calendar  
17 year preceding the taxable year.

18 "Income", as used in this Section, has the same meaning as  
19 provided in Section 3.07 of the Senior Citizens and Disabled  
20 Persons Property Tax Relief and Pharmaceutical Assistance Act,  
21 except that "income" does not include veteran's benefits.

22 In a cooperative where a homestead exemption has been  
23 granted, the cooperative association or its management firm  
24 shall credit the savings resulting from that exemption only to  
25 the apportioned tax liability of the owner who qualified for  
26 the exemption. Any person who willfully refuses to so credit

1 the savings shall be guilty of a Class B misdemeanor.

2 Where married persons maintain and reside in separate  
3 residences qualifying as homestead property, each residence  
4 shall receive 50% of the total reduction in equalized assessed  
5 valuation provided by this Section.

6 In all counties, the assessor or chief county assessment  
7 officer may determine the eligibility of residential property  
8 to receive the homestead exemption and the amount of the  
9 exemption by application, visual inspection, questionnaire or  
10 other reasonable methods. The determination shall be made in  
11 accordance with guidelines established by the Department,  
12 provided that the taxpayer applying for an additional general  
13 exemption under this Section shall submit to the chief county  
14 assessment officer an application with an affidavit of the  
15 applicant's total household income, age, marital status (and,  
16 if married, the name and address of the applicant's spouse, if  
17 known), and principal dwelling place of members of the  
18 household on January 1 of the taxable year. The Department  
19 shall issue guidelines establishing a method for verifying the  
20 accuracy of the affidavits filed by applicants under this  
21 paragraph. The applications shall be clearly marked as  
22 applications for the Additional General Homestead Exemption.

23 In counties with fewer than 3,000,000 inhabitants, in the  
24 event of a sale of homestead property the homestead exemption  
25 shall remain in effect for the remainder of the assessment year  
26 of the sale. The assessor or chief county assessment officer

1 may require the new owner of the property to apply for the  
2 homestead exemption for the following assessment year. In  
3 counties with 3,000,000 or more inhabitants, before closing on  
4 the homestead property, the seller must provide to the buyer  
5 the form required by the assessor or chief county assessment  
6 officer to apply for a homestead exemption under this Section  
7 or Section 15-176, as applicable.

8 Notwithstanding Sections 6 and 8 of the State Mandates Act,  
9 no reimbursement by the State is required for the  
10 implementation of any mandate created by this Section.

11 (Source: P.A. 95-644, eff. 10-12-07.)

12 (35 ILCS 200/15-176)

13 Sec. 15-176. Alternative general homestead exemption.

14 (a) For the assessment years as determined under subsection  
15 (j), in any county that has elected, by an ordinance in  
16 accordance with subsection (k), to be subject to the provisions  
17 of this Section in lieu of the provisions of Section 15-175,  
18 homestead property is entitled to an annual homestead exemption  
19 equal to a reduction in the property's equalized assessed value  
20 calculated as provided in this Section.

21 (b) As used in this Section:

22 (1) "Assessor" means the supervisor of assessments or  
23 the chief county assessment officer of each county.

24 (2) "Adjusted homestead value" means the lesser of the  
25 following values:

1           (A) The property's base homestead value increased  
2 by 7% for each tax year after the base year through and  
3 including the current tax year, or, if the property is  
4 sold or ownership is otherwise transferred, the  
5 property's base homestead value increased by 7% for  
6 each tax year after the year of the sale or transfer  
7 through and including the current tax year. The  
8 increase by 7% each year is an increase by 7% over the  
9 prior year.

10           (B) The property's equalized assessed value for  
11 the current tax year minus: (i) \$4,500 in Cook County  
12 or \$3,500 in all other counties in tax year 2003; (ii)  
13 \$5,000 in all counties in tax years 2004 and 2005; and  
14 (iii) the lesser of the amount of the general homestead  
15 exemption under Section 15-175 or an amount equal to  
16 the increase in the equalized assessed value for the  
17 current tax year above the equalized assessed value for  
18 1977 in tax year 2006 and thereafter.

19           (3) "Base homestead value".

20           (A) Except as provided in subdivision (b) (3) (A-5)  
21 or (b) (3) (B), "base homestead value" means the  
22 equalized assessed value of the property for the base  
23 year prior to exemptions, minus (i) \$4,500 in Cook  
24 County or \$3,500 in all other counties in tax year  
25 2003, (ii) \$5,000 in all counties in tax years 2004 and  
26 2005, or (iii) the lesser of the amount of the general

1 homestead exemption under Section 15-175 or an amount  
2 equal to the increase in the equalized assessed value  
3 for the current tax year above the equalized assessed  
4 value for 1977 in tax year 2006 and thereafter,  
5 provided that it was assessed for that year as  
6 residential property qualified for any of the  
7 homestead exemptions under Sections 15-170 through  
8 15-175 of this Code, then in force, and further  
9 provided that the property's assessment was not based  
10 on a reduced assessed value resulting from a temporary  
11 irregularity in the property for that year. Except as  
12 provided in subdivision (b) (3) (B), if the property did  
13 not have a residential equalized assessed value for the  
14 base year, then "base homestead value" means the base  
15 homestead value established by the assessor under  
16 subsection (c).

17 (A-5) On or before September 1, 2007, in Cook  
18 County, the base homestead value, as set forth under  
19 subdivision (b) (3) (A) and except as provided under  
20 subdivision (b) (3) (B), must be recalculated as the  
21 equalized assessed value of the property for the base  
22 year, prior to exemptions, minus:

23 (1) if the general assessment year for the  
24 property was 2003, the lesser of (i) \$4,500 or (ii)  
25 the amount equal to the increase in equalized  
26 assessed value for the 2002 tax year above the

1 equalized assessed value for 1977;

2 (2) if the general assessment year for the  
3 property was 2004, the lesser of (i) \$4,500 or (ii)  
4 the amount equal to the increase in equalized  
5 assessed value for the 2003 tax year above the  
6 equalized assessed value for 1977;

7 (3) if the general assessment year for the  
8 property was 2005, the lesser of (i) \$5,000 or (ii)  
9 the amount equal to the increase in equalized  
10 assessed value for the 2004 tax year above the  
11 equalized assessed value for 1977.

12 (B) If the property is sold or ownership is  
13 otherwise transferred, other than sales or transfers  
14 between spouses or between a parent and a child, "base  
15 homestead value" means the equalized assessed value of  
16 the property at the time of the sale or transfer prior  
17 to exemptions, minus: (i) \$4,500 in Cook County or  
18 \$3,500 in all other counties in tax year 2003; (ii)  
19 \$5,000 in all counties in tax years 2004 and 2005; and  
20 (iii) the lesser of the amount of the general homestead  
21 exemption under Section 15-175 or an amount equal to  
22 the increase in the equalized assessed value for the  
23 current tax year above the equalized assessed value for  
24 1977 in tax year 2006 and thereafter, provided that it  
25 was assessed as residential property qualified for any  
26 of the homestead exemptions under Sections 15-170

1 through 15-175 of this Code, then in force, and further  
2 provided that the property's assessment was not based  
3 on a reduced assessed value resulting from a temporary  
4 irregularity in the property.

5 (3.5) "Base year" means (i) tax year 2002 in Cook  
6 County or (ii) tax year 2008 or 2009 in all other counties  
7 in accordance with the designation made by the county as  
8 provided in subsection (k).

9 (4) "Current tax year" means the tax year for which the  
10 exemption under this Section is being applied.

11 (5) "Equalized assessed value" means the property's  
12 assessed value as equalized by the Department.

13 (6) "Homestead" or "homestead property" means:

14 (A) Residential property that as of January 1 of  
15 the tax year is occupied by its owner or owners as his,  
16 her, or their principal dwelling place, or that is a  
17 leasehold interest on which a single family residence  
18 is situated, that is occupied as a residence by a  
19 person who has a legal or equitable interest therein  
20 evidenced by a written instrument, as an owner or as a  
21 lessee, and on which the person is liable for the  
22 payment of property taxes. Residential units in an  
23 apartment building owned and operated as a  
24 cooperative, or as a life care facility, which are  
25 occupied by persons who hold a legal or equitable  
26 interest in the cooperative apartment building or life

1 care facility as owners or lessees, and who are liable  
2 by contract for the payment of property taxes, shall be  
3 included within this definition of homestead property.

4 (B) A homestead includes the dwelling place,  
5 appurtenant structures, and so much of the surrounding  
6 land constituting the parcel on which the dwelling  
7 place is situated as is used for residential purposes.  
8 If the assessor has established a specific legal  
9 description for a portion of property constituting the  
10 homestead, then the homestead shall be limited to the  
11 property within that description.

12 (7) "Life care facility" means a facility as defined in  
13 Section 2 of the Life Care Facilities Act.

14 (c) If the property did not have a residential equalized  
15 assessed value for the base year as provided in subdivision  
16 (b) (3) (A) of this Section, then the assessor shall first  
17 determine an initial value for the property by comparison with  
18 assessed values for the base year of other properties having  
19 physical and economic characteristics similar to those of the  
20 subject property, so that the initial value is uniform in  
21 relation to assessed values of those other properties for the  
22 base year. The product of the initial value multiplied by the  
23 equalized factor for the base year for homestead properties in  
24 that county, less: (i) \$4,500 in Cook County or \$3,500 in all  
25 other counties in tax years 2003; (ii) \$5,000 in all counties  
26 in tax year 2004 and 2005; and (iii) the lesser of the amount

1 of the general homestead exemption under Section 15-175 or an  
2 amount equal to the increase in the equalized assessed value  
3 for the current tax year above the equalized assessed value for  
4 1977 in tax year 2006 and thereafter, is the base homestead  
5 value.

6 For any tax year for which the assessor determines or  
7 adjusts an initial value and hence a base homestead value under  
8 this subsection (c), the initial value shall be subject to  
9 review by the same procedures applicable to assessed values  
10 established under this Code for that tax year.

11 (d) The base homestead value shall remain constant, except  
12 that the assessor may revise it under the following  
13 circumstances:

14 (1) If the equalized assessed value of a homestead  
15 property for the current tax year is less than the previous  
16 base homestead value for that property, then the current  
17 equalized assessed value (provided it is not based on a  
18 reduced assessed value resulting from a temporary  
19 irregularity in the property) shall become the base  
20 homestead value in subsequent tax years.

21 (2) For any year in which new buildings, structures, or  
22 other improvements are constructed on the homestead  
23 property that would increase its assessed value, the  
24 assessor shall adjust the base homestead value as provided  
25 in subsection (c) of this Section with due regard to the  
26 value added by the new improvements.

1           (3) If the property is sold or ownership is otherwise  
2 transferred, the base homestead value of the property shall  
3 be adjusted as provided in subdivision (b) (3) (B). This item  
4 (3) does not apply to sales or transfers between spouses or  
5 between a parent and a child.

6           (4) the recalculation required in Cook County under  
7 subdivision (b) (3) (A-5).

8           (e) The amount of the exemption under this Section is the  
9 equalized assessed value of the homestead property for the  
10 current tax year, minus the adjusted homestead value, with the  
11 following exceptions:

12           (1) In Cook County, the exemption under this Section  
13 shall not exceed \$20,000 for any taxable year through tax  
14 year:

15           (i) 2005, if the general assessment year for the  
16 property is 2003;

17           (ii) 2006, if the general assessment year for the  
18 property is 2004; or

19           (iii) 2007, if the general assessment year for the  
20 property is 2005.

21           (1.1) Thereafter, in Cook County, and in all other  
22 counties, the exemption is as follows:

23           (i) if the general assessment year for the property  
24 is 2006, then the exemption may not exceed: \$33,000 for  
25 taxable year 2006; \$26,000 for taxable year 2007;  
26 \$20,000 for taxable years 2008 and 2009; \$16,000 for

1 taxable year 2010; and \$12,000 for taxable year 2011;

2 (ii) if the general assessment year for the  
3 property is 2007, then the exemption may not exceed:  
4 \$33,000 for taxable year 2007; \$26,000 for taxable year  
5 2008; \$20,000 for taxable years 2009 and 2010; \$16,000  
6 for taxable year 2011; and \$12,000 for taxable year  
7 2012; and

8 (iii) if the general assessment year for the  
9 property is 2008, then the exemption may not exceed:  
10 \$33,000 for taxable year 2008; \$26,000 for taxable year  
11 2009; \$20,000 for taxable years 2010 and 2011; \$16,000  
12 for taxable year 2012; and \$12,000 for taxable year  
13 2013.

14 (1.5) In Cook County, for the 2006 taxable year only, the  
15 maximum amount of the exemption set forth under subsection  
16 (e)(1.1)(i) of this Section may be increased: (i) by \$7,000 if  
17 the equalized assessed value of the property in that taxable  
18 year exceeds the equalized assessed value of that property in  
19 2002 by 100% or more; or (ii) by \$2,000 if the equalized  
20 assessed value of the property in that taxable year exceeds the  
21 equalized assessed value of that property in 2002 by more than  
22 80% but less than 100%.

23 (2) In the case of homestead property that also  
24 qualifies for the exemption under Section 15-172, the  
25 property is entitled to the exemption under this Section,  
26 limited to the amount of (i) \$4,500 in Cook County or

1           \$3,500 in all other counties in tax year 2003, (ii) \$5,000  
2           in all counties in tax years 2004 and 2005, or (iii) the  
3           lesser of the amount of the general homestead exemption  
4           under Section 15-175 or an amount equal to the increase in  
5           the equalized assessed value for the current tax year above  
6           the equalized assessed value for 1977 in tax year 2006 and  
7           thereafter.

8           (f) In the case of an apartment building owned and operated  
9           as a cooperative, or as a life care facility, that contains  
10          residential units that qualify as homestead property under this  
11          Section, the maximum cumulative exemption amount attributed to  
12          the entire building or facility shall not exceed the sum of the  
13          exemptions calculated for each qualified residential unit. The  
14          cooperative association, management firm, or other person or  
15          entity that manages or controls the cooperative apartment  
16          building or life care facility shall credit the exemption  
17          attributable to each residential unit only to the apportioned  
18          tax liability of the owner or other person responsible for  
19          payment of taxes as to that unit. Any person who willfully  
20          refuses to so credit the exemption is guilty of a Class B  
21          misdemeanor.

22          (g) When married persons maintain separate residences, the  
23          exemption provided under this Section shall be claimed by only  
24          one such person and for only one residence.

25          (h) In the event of a sale or other transfer in ownership  
26          of the homestead property, the exemption under this Section

1 shall remain in effect for the remainder of the tax year and be  
2 calculated using the same base homestead value in which the  
3 sale or transfer occurs, but (other than for sales or transfers  
4 between spouses or between a parent and a child) shall be  
5 calculated for any subsequent tax year using the new base  
6 homestead value as provided in subdivision (b)(3)(B). The  
7 assessor may require the new owner of the property to apply for  
8 the exemption in the following year. In counties with 3,000,000  
9 or more inhabitants, before closing on the homestead property,  
10 the seller must provide to the buyer the form required by the  
11 assessor or chief county assessment officer to apply for a  
12 homestead exemption under this Section or Section 15-175, as  
13 applicable.

14 (i) The assessor may determine whether property qualifies  
15 as a homestead under this Section by application, visual  
16 inspection, questionnaire, or other reasonable methods. Each  
17 year, at the time the assessment books are certified to the  
18 county clerk by the board of review, the assessor shall furnish  
19 to the county clerk a list of the properties qualified for the  
20 homestead exemption under this Section. The list shall note the  
21 base homestead value of each property to be used in the  
22 calculation of the exemption for the current tax year.

23 (j) In counties with 3,000,000 or more inhabitants, the  
24 provisions of this Section apply as follows:

25 (1) If the general assessment year for the property is  
26 2003, this Section applies for assessment years 2003

1 through 2011. Thereafter, the provisions of Section 15-175  
2 apply.

3 (2) If the general assessment year for the property is  
4 2004, this Section applies for assessment years 2004  
5 through 2012. Thereafter, the provisions of Section 15-175  
6 apply.

7 (3) If the general assessment year for the property is  
8 2005, this Section applies for assessment years 2005  
9 through 2013. Thereafter, the provisions of Section 15-175  
10 apply.

11 In counties with less than 3,000,000 inhabitants, this  
12 Section applies for assessment years (i) 2009, 2010, 2011, and  
13 2012 if tax year 2008 is the designated base year or (ii) 2010,  
14 2011, 2012, and 2013 if tax year 2009 is the designated base  
15 year. Thereafter, the provisions of Section 15-175 apply.

16 (k) To be subject to the provisions of this Section in lieu  
17 of Section 15-175, a county must adopt an ordinance to subject  
18 itself to the provisions of this Section within 6 months after  
19 the effective date of this amendatory Act of the 96th General  
20 Assembly. In a county other than Cook County, the ordinance  
21 must designate either tax year 2008 or tax year 2009 as the  
22 base year.

23 (l) Notwithstanding Sections 6 and 8 of the State Mandates  
24 Act, no reimbursement by the State is required for the  
25 implementation of any mandate created by this Section.

26 (Source: P.A. 95-644, eff. 10-12-07; 96-1418, eff. 8-2-10.)

1           Section 10. The Residential Real Property Disclosure Act is  
2 amended by adding Section 23 as follows:

3           (765 ILCS 77/23 new)

4           Sec. 23. Homestead exemption disclosure. In counties with  
5 3,000,000 or more inhabitants, before closing on residential  
6 real property, the seller must provide to the buyer the form  
7 required by the assessor or chief county assessment officer to  
8 apply for the homestead exemption provided under either Section  
9 15-175 or 15-176 of the Property Tax Code, as applicable."